

The President's Daily Brief

11 July 1970

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THE PRESIDENT'S DAILY BRIEF

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PRINCIPAL DEVELOPMENTS

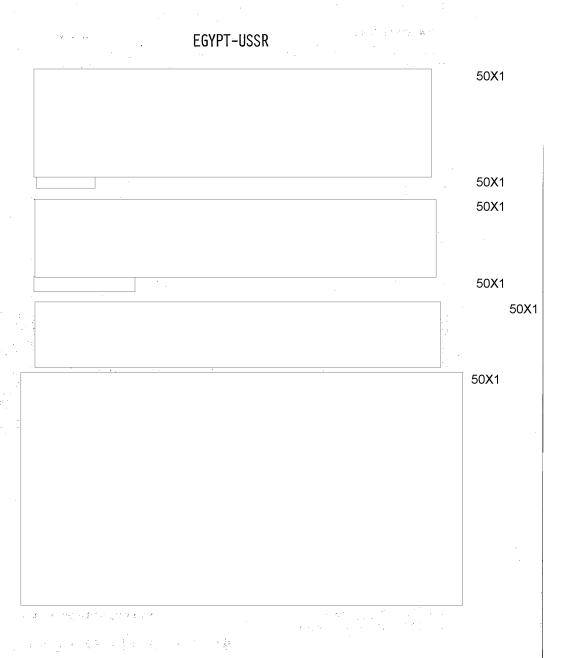
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An assessment of the situation in Cambodia begins on Page 3.	; ;	
Communists meeting in Hanoi may be preparing a new diplomatic initiative on Laos. (Page 6)		
Bonn is anticipating careful, perhaps prolonged, negotiations with Moscow. (Page 7)		
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Chilean Communists' efforts to display their strength by calling a strike have backfired. (Page 10)		

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CAMBODIA

More than a month has passed since the North Vietnamese moved deep into western Cambodia and hit Siem Reap city. It appeared then as if Hanoi may have decided on an early showdown in Cambodia, but in the ensuing weeks the war has bogged down in the summer monsoons. Siem Reap, Kompong Thom, and Kompong Speu have been harassed almost every night, but ground assaults have been few and widely spaced. The Communists are maintaining enough pressure to keep the Cambodians tied down to defensive positions in the major towns and cities. An occasional ground attack, such as the one against Saang early this week or the munition depot at Lovek, has been undertaken for psychological or tactical reasons.

The circumstantial evidence suggests that the Communists are going through a period of retrenchment and consolidation. The loss of materiel from the sanctuaries undoubtedly is one important factor; the sheer magnitude of the task in Cambodia is another. Some 260 miles of rugged country separates Communist main force units along the South Vietnamese border from the small groups far to the west that have pushed the Cambodians into Thailand. A campaign of swift strikes, much of it by small bands living off the countryside, has given the Communists loose control over more than half of Cambodia's territory. We doubt that the Communists intend to fight for every square mile of this territory, but they almost certainly intend to do as much with it as they can. This will require more troops, more cadre, and more help from the indigenous Cambo-dian, Lao, and tribal people who live in the area.

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We do not have a clear picture of what is happening in the Cambodian countryside, but we strongly doubt that anybody -- least of all the leaders in Phnom Penh--has a much better idea. We do know that the Communists are making a strong effort to build a Cambodian Communist movement. They have brought in Khmer-speaking cadre from South Vietnam to help out, and they are using Vietnamese and Cambodian Communists to set up an administrative apparatus. It will not be an easy job. The Cambodian Communist movement -- the so-called Khmer Rouge -is weak. The Vietnamese are racially distinct from the Khmer; they speak a different language, and they must overcome the burden of long-standing Khmer animosity. We are not inclined to write off the Communist threat on these grounds, however. The Communists are superb organizers, and they know how to use terrorism to get what they cannot get otherwise. We continue to receive intercepted messages from Cambodian provincial authorities reporting that entire Cambodian villages are collaborating with the Communists and that large numbers are being trained by the enemy. There undoubtedly is a good deal of coercion involved in this, but as long as North Vietnamese units are available to impose discipline, such indigenous forces can be useful to the enemy.

Hanoi probably now recognizes that to cause the early downfall of the Lon Nol government would require an all-out military operation, including a direct attack on Phnom Penh itself. Hanoi may yet decide to try this route, but it seems more likely it will give the green light to continuation of recent activities, namely:

--solidifying control over the northeast; in effect, turning it into an extension of the Laotian infiltration corridor.

--concentrating on building a viable Cambodian Communist movement in territory already loosely controlled.

--keeping up the pressure on the government itself, perhaps even by rocketing Phnom Penh or sending in a sapper battalion to create havoc, in the hope that the Cambodian generals will capitulate to Communist demands or that the government will collapse under the accumulated pressure.

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The lull in major Communist military actions continues, but there are indications of enemy intentions to step up attacks in several areas. The Communists may be looking for a significant scrap with South Vietnamese forces in hopes of inflicting heavy losses and shaking ARVN's growing confidence. The onset of the monsoon rain, which is beginning to hinder motor transport and reduce the air support available to South Vietnamese forces, may encourage enemy aggressiveness.

Vice President Ky may visit Bangkok next week to discuss coordination of Thai and South Vietnamese air operations in Cambodia. Ky has already visited Phnom Penh to help coordinate military planning with the Cambodians. During his stay in Phnom Penh, he made promises that caused some embarrassment in Saigon. It is not clear whether Thieu has authorized Ky's impending visit to Bangkok.

Ky, as a former chief of the South Vietnamese Air Force, could probably make a substantial contribution to the discussions if he kept his free-wheeling tendencies in check. In order to get the Thai to do more in Cambodia, however, he probably will make promises that could be difficult for Saigon to keep.

NORTH VIETNAM

The Communists may be shaping a new diplomatic initiative on Laos.

Conversations involving Soviet officials, Polish ICC representatives, and the Lao Patriotic Front apparently have been under way in Hanoi since 4 July. The Soviets are represented by Deputy Foreign Minister Firyubin, who flew unannounced to Hanoi on 4 July. This is Firyubin's second unpublicized trip to Hanoi this year. The first, late in February, may have been concerned in part with the new Communist peace proposal for Laos issued on 6 March.

Several developments in the past few days suggest that Hanoi may want to resurrect that proposal.

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On 7 July the Poles suddenly agreed to an ICC offer to help "facilitate" talks between the two Lao factions.

Whatever is brewing in Hanoi probably is at least partially a response to Souvanna Phouma's offer to the Pathet Lao late in June to open talks in Communist territory with the other Laotian factions. It might, for example, include a guarantee of Souvanna's security in Khang Khay, the site he proposed for such talks. Hanoi has insisted that a full bombing halt must precede any negotiations, and will probably continue to insist on this as the price for serious political bargaining.

The North Vietnamese now might be willing to engage in talks restricted solely to the bombing issue, such as those with the US in 1968. They might reason that their recent territorial gains in southern Laos and the threat of further strong Communist military pressures have put them in a better position than before to extract concessions from Souvanna.

WEST GERMANY - USSR

The Bonn cabinet has definitely decided to treat the draft nonaggression treaty which emerged from earlier West German - Soviet discussions as only "preliminary and open to change." Although the West Germans expect the Soviets to press the Federal Republic for early signature, the cabinet feels there must be genuine negotiations in order to make the text more acceptable.



According to US Embassy officials, Bonn also intends to send letters to the Western allies to the effect that its agreement with the USSR does not affect Bonn's basic relations with them as established in the London and Paris agreements of 1952 and 1954.

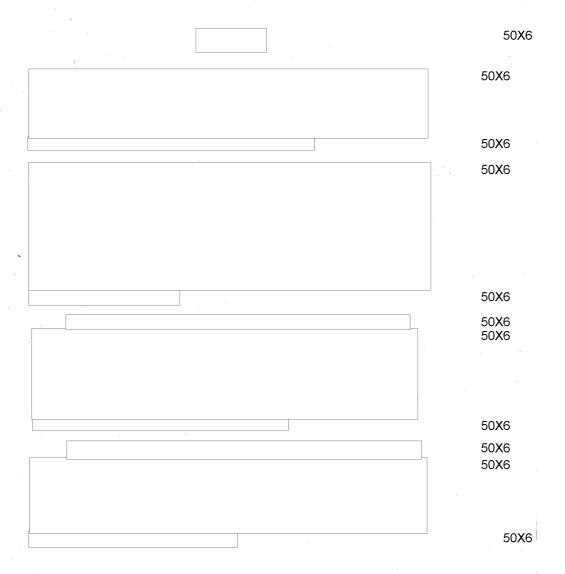
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These letters are intended to reassure not only the Allies, but also the opposition Christian Democrats who are highly critical of Brandt's proposed agreement with Moscow. It is unlikely, however, that this gesture or the proposed textual changes will mollify the CDU.

Meanwhile, Brandt has explained that although he regards his Ostpolitik negotiations as closely related to the four-power talks on Berlin, he does not go along with opposition demands that a Bonn-Moscow agreement be contingent on the successful conclusion of the Berlin talks. This will remove one potentially contentious issue from the discussions in Moscow.



CHILE

Conservative presidential candidate Jorge Alessandri was probably the only political leader to benefit from the inconclusive strike the Communists called against the Frei government on 8 July. The Communists had hoped to turn the strike into a show of political strength, but the unions' response was so spotty the Marxists' cause was damaged instead. The fiasco could stem the recent upturn in the fortunes of the Marxist-backed presidential candidate, Salvador Allende.

The government, however, did not profit from the Communist slip. Student disturbances the same day resulted in the third student death in recent weeks and in the arrest of other students on "autonomous" university premises. The incidents are blamed on the police and will contribute to the leftist campaign to paint the administration as repressive.

This climate of continuing violence, although not yet of major proportions, is unusual and unsettling in Chile. Expresident Alessandri stands to gain the most from it. He has been at pains to create an image of authority and has been adroit in handling the issue in recent weeks.

NOTES

<u>USSR</u>: The Supreme Soviet is scheduled to convene in Moscow Monday. This will be the first meeting since the elections on 14 June, and a major agenda item will be the formal reconstitution of the government. Some changes in the Council of Ministers are therefore likely. If past practice is adhered to, the party's central committee will meet immediately before to preview the decisions of the Supreme Soviet session.

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